



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

November 9, 2007

Ms. Paula Higashi
Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

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**COMMISSION ON
STATE MANDATES**

Dear Ms. Higashi:

As requested in your letter of October 19, 2007, the Department of Finance has reviewed the draft staff analysis of the test claim submitted by the San Juan Unified School District (claimant) asking the Commission to determine whether specified costs incurred under the Public Schools Accountability Act and related regulations are reimbursable state-mandated costs (Claim No. CSM-01-TC-22 "Academic Performance Index"). Finance concurs with Commission staff conclusions on the test claim items determined not to constitute reimbursable state-mandated programs. However, Finance has the following comments on those activities identified by Commission staff as mandated programs:

Finance disagrees with the conclusion that a discussion of Academic Performance Index (API) annual rankings at the next available school board meeting, per Education Code Section 52056(c), is a reimbursable state mandate. Although the requirement for discussion of API annual rankings at the next available school board meeting may result in additional costs to school districts for developing and providing agenda items, minutes, and other materials, and for making staff available at the meeting to present API information and answer questions, those costs are not reimbursable because those activities are required under Proposition 59. We note that Section 17556(f) of the Government Code provides that the Commission shall not find a reimbursable mandate in a statute or executive order if, after a hearing, the Commission finds that the statute or executive order imposes duties that are necessary to implement, reasonably within the scope of, or expressly included in, a ballot measure approved by the voters in a statewide or local election regardless of whether the statute or executive order was enacted or adopted before or after the date on which the ballot measure was approved by the voters. Proposition 59, approved by the voters at the November 2, 2004 election, provides that the people have the right of access to information concerning the conduct of the people's business, and, therefore, the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny.

Finally, Finance disagrees with the conclusion that Title 5, California Code of Regulations, Section 1032 (j) constitutes a reimbursable state mandate for the following school district activities: (1) notification of the California Department of Education (CDE) and the test publisher of errors in STAR testing or demographic data within 30 days of publication and (2) submission of data corrections within 45 days of publication. We note that the annual Budget Act provides apportionment funding per test to each district to ensure quality data collection and reporting (see Items 6110-113-0001 and 6110-113-0890 of Section 2.0, Budget Act of 2007).

If a district provided erroneous data, they are responsible for correcting the data because they receive apportionment payments to do so. If an error occurs on the part of a test publisher, the publisher is to bear the cost of that data correction, not the school district nor the state. Therefore, a school district will not incur new mandated costs because those costs are already covered by an apportionment provided annually through the Budget Act.

As required by the Commission's regulations, we are including a "Proof of Service" indicating that the parties included on the mailing list which accompanied your October 19, 2007 letter have been provided with copies of this letter via either United States Mail or, in the case of other state agencies, Interagency Mail Service.

If you have any questions regarding this letter, please contact Ryan Storm, Principal Program Budget Analyst at (916) 445-0328.

Sincerely,

A handwritten signature in black ink that reads "Jeannie Oropeza". The signature is fluid and cursive, with the first name "Jeannie" and last name "Oropeza" clearly distinguishable.

Jeannie Oropeza
Program Budget Manager

Attachment

Attachment A

DECLARATION OF RYAN STORM
DEPARTMENT OF FINANCE
CLAIM NO. CSM-07-TC-04

1. I am currently employed by the State of California, Department of Finance (Finance), am familiar with the duties of Finance, and am authorized to make this declaration on behalf of Finance.
2. We concur that the Chapter 413, Statutes of 2006, (AB 1433, Emmerson and Laird) sections relevant to this claim are accurately quoted in the test claim submitted by claimants and, therefore, we do not restate them in this declaration.

I certify under penalty of perjury that the facts set forth in the foregoing are true and correct of my own knowledge except as to the matters therein stated as information or belief and, as to those matters, I believe them to be true.

November 9, 2007
at Sacramento, CA


Ryan Storm

PROOF OF SERVICE

Test Claim Name: Academic Performance Index
Test Claim Number: CSM-01-TC-22

I, the undersigned, declare as follows:

I am employed in the County of Sacramento, State of California, I am 18 years of age or older and not a party to the within entitled cause; my business address is 915 L Street, 7th Floor, Sacramento, CA 95814.

On November 9, 2007, I served the attached recommendation of the Department of Finance in said cause, by facsimile to the Commission on State Mandates and by placing a true copy thereof: (1) to claimants and nonstate agencies enclosed in a sealed envelope with postage thereon fully prepaid in the United States Mail at Sacramento, California; and (2) to state agencies in the normal pickup location at 915 L Street, 7th Floor, for Interagency Mail Service, addressed as follows:

A-16
Ms. Paula Higashi, Executive Director
Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814
Facsimile No. 445-0278

Education Mandated Cost Network
C/O School Services of California
Attention: Dr. Carol Berg, PhD
1121 L Street, Suite 1060
Sacramento, CA 95814

Sixten & Associates
Attention: Keith Petersen
5252 Balboa Avenue, Suite 807
San Diego, CA 92117

E-8
Department of Education
School Business Services
Attention: Marie Johnson
560 J Street, Suite 170
Sacramento, CA 95814

Mandated Cost Systems, Inc.
Attention: Steve Smith
2275 Watt Avenue, Suite C
Sacramento, CA 95825

San Diego Unified School District
Attention: Arthur Palkowitz
4100 Normal Street, Room 3159
San Diego, CA 92103-2682

E-8
State Board of Education
Attention: Bill Lucia, Executive Director
721 Capitol Mall, Room 532
Sacramento, CA 95814

California Teachers Association
Attention: Steve DePue
2921 Greenwood Road
Greenwood, CA 95635

Girard & Vinson
Attention: Paul Minney
1676 N. California Blvd., Suite 450
Walnut Creek, CA 95496

B-08
State Controller's Office
Attention: Jim Spano
300 Capitol Mall, Suite 518
Sacramento, CA 95814

Mr. Steve Smith
Steve Smith Enterprises, Inc.
3323 Watt Avenue #291
Sacramento, CA 95821

Ms. Beth Hunter
Centration, Inc.
8570 Utica Avenue, Suite 100
Rancho Cucamonga, CA 91730

Ms. Harmeet Barkschat
Mandate Resource Services
5325 Elkhorn Blvd. #307
Sacramento, CA 95842

Mr. Robert Miyashiro
Education Mandated Cost Network
1121 L Street, Suite 1060
Sacramento, CA 95814

Mr. David E. Scribner
Scribner Consulting Group, Inc.
3840 Rosin Court, Suite 190
Sacramento, CA 95834

Mr. David Cichella
California School Management Group
1111 E Street
Tracy, CA 95376

A-15
Ms. Jeannie Oropeza
Department of Finance
Education Systems Unit
915 L Street, 7th Floor
Sacramento, CA 95814

A-15
Ms. Susan Geanacou
Department of Finance
915 L Street, Suite 1190
Sacramento, CA 95814

B-8
State Controller's Office
Division of Accounting & Reporting
Attention: William Ashby
3301 C Street, Room 500
Sacramento, CA 95816

Mr. Steve Shields
Shields Consulting Group, Inc.
1536 36th Street
Sacramento, CA 95816

E-08
Ms. Carol Bingham
California Department of Education
Fiscal Policy Division
1430 N Street, Suite 5602
Sacramento, CA 95814

Ms. Sandy Reynolds
Reynolds Consulting Group, Inc.
P.O. Box 894059
Temecula, CA 92589

Mr. Joe Rombold
School Innovations & Advocacy
11130 Sun Center Drive, Suite 100
Rancho Cordova, CA 95670

B-08
Ms. Ginny Brummels
State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Mr. J. Bradley Burgess
Public Resource Management Group
1380 Lead Hill Boulevard, Suite #106
Roseville, CA 95661

Ms. Juliana F. Gmur
MAXIMUS
2380 Houston Avenue
Clovis, CA 93611

B-29

Legislative Analyst's Office
Attention: Marianne O'Malley
925 L Street, Suite 1000
Sacramento, CA 95814

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on November 9, 2007 at Sacramento, California.



Annette Waite

ICC: OROPEZA, SCHWEIZER, STORM, LEGARRA, FEREBEE, GEANACOU, FILE

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